

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-02

NSAE-00 NSC-05 OMB-01 PM-03 USIA-06 SAM-01 OES-03

SP-02 SS-15 STR-04 TRSE-00 FRB-03 FEA-01 PA-01 PRS-01

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FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 7090

C O N F I D E N T I A L SECTION 01 OF 02 OECD PARIS 12561

E.O. 11652: GDS

TAGS: ENRG, OECD

SUBJECT: IEA: NOTE BY CHAIRMAN DAVIGNON

1. FOLLOWING IS NOTE BY CHAIRMAN DAVIGNON CIRCULATED  
BY SECRETARIAT CONTAINING A DRAFT SUMMARY ON THE  
PROBLEMS OF PRODUCER/CONSUMER RELATIONS, FOLLOWING THE  
DISCUSSION IN THE GOVERNING BOARD ON 28TH AND 29TH  
APRIL, 1975.

2. BEGIN TEXT:

AS HE HAD PROMISED DELEGATIONS, THE CHAIRMAN HAD BY  
1ST MAY DRAFTED HIS SUMMARY OF THE DISCUSSIONS WHICH  
HAD TAKEN PLACE IN THE GOVERNING BOARD ON THE PROBLEM  
OF PRODUCER/CONSUMER RELATIONS. UNFORTUNATELY, THE  
MANUSCRIPT OF THIS SUMMARY HAS BEEN MISLAIDED.

IN THESE CIRCUMSTANCES, THE CHAIRMAN WONDERS  
WHETHER THERE IS STILL ANY POINT AT THIS STAGE IN  
SUBMITTING A DRAFT SUMMARY TO THE GOVERNING BOARD FOR  
APPROVAL. INSTEAD, HE FEELS IT WOULD BE MORE USEFUL  
TO CONCENTRATE HENCEFORWARD ON THE FORTHCOMING MEETINGS.  
HE IS NEVERTHELESS CONCERNED TO KEEP THE PROMISE HE  
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GAVE THE GOVERNING BOARD. HE IS THEREFORE COMMUNICATING

TO DELEGATIONS HIS DRAFT SUMMARY BELOW, WITH THE REQUEST  
THAT THEY WILL REGARD IT PURELY AND SIMPLY AS A WORKING  
PAPER WHICH SHOULD NOT BE THE SUBJECT OF DISCUSSION IN  
THE GOVERNING BOARD.

1. USEFUL LESSONS HAVE BEEN DRAWN FROM THE  
PREPARATORY MEETING IN PARIS.  
2. IN ACCORDANCE WITH WHAT WAS DECIDED AT THE END  
OF THE PREPARATORY MEETING, OUR OPPOSITE NUMBERS HAVE  
SAID THAT IT SERVED A USEFUL PURPOSE. APART FROM  
CERTAIN RARE EXCEPTIONS, THERE HAVE BEEN NO REACTIONS  
INDICATIVE OF BITTERNESS OR ANIMOSITY ON THEIR PART.

3. THE INDUSTRIALIZED CONSUMER COUNTRIES DO NOT  
CONTEMPLATE TAKING ANY SPECIFIC INITIATIVE IN THE  
IMMEDIATE FUTURE WITH REGARD TO RESUMING THE DIALOGUE,  
UNTIL THEY HAVE COMPLETED THEIR EVALUATION OF THE  
SITUATION AND UNTIL THEY HAVE ADJUSTED THEIR POSITION  
IN THE LIGHT OF THE LESSONS TO BE DRAWN FROM THE PARIS  
MEETING. ON THE OTHER HAND, THE DESIRE AND THE WILL TO  
ENTER INTO SUCH A DIALOGUE REMAIN AN ESSENTIAL PART OF  
THE POLICY OF THESE COUNTRIES.

4. IT IS AN UNDENIABLE POLITICAL FACT THAT DEVELOPING  
COUNTRIES, WHETHER THEY BE OIL PRODUCERS OR CONSUMERS,  
ASSOCIATE PROBLEMS OF COOPERATION IN ENERGY DEVELOPMENT  
WITH THOSE CONCERNING RAW MATERIALS. ON THE OTHER  
HAND, THE COUNTRIES PARTICIPATING IN THE AGENCY DO NOT  
WISH THE PROPOSED DIALOGUE TO BECOME A CONFERENCE ON  
"THE NEW ECONOMIC ORDER" DEALING WITH ENERGY AS ONE ITEM  
AMONG OTHERS.

5. ACCORDINGLY, THERE ARE THREE POSSIBILITIES OPEN TO  
THE AGENCY COUNTRIES:

A) EITHER THEY MAINTAIN THE POSITION ADOPTED BEFORE  
THE AVENUE KLEBER MEETING, IN WHICH CASE NO DIALOGUE  
WILL BE POSSIBLE,

B) OR THEY AGREE TO ENERGY QUESTIONS BEING, IN SOME  
FORM OR ANOTHER, ONLY ONE ASPECT OF A BROADER SERIES OF  
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C O N F I D E N T I A L SECTION 02 OF 02 OECD PARIS 12561

C) OR THEY CHOOSE A SOMEWHAT NEW APPROACH. IN THIS EVENT THEY WOULD DECIDE TO MEET THE CONCERNS OF THE 77 BY DEMONSTRATING TO THEM THAT THE POSITIONS THEY HAVE ADOPTED ON RAW MATERIALS REFLECT A GENUINE POLICY CHOICE, AND PROVIDING SPECIFIC PROOF OF THIS BY GIVING FRESH IMPETUS TO OTHER BODIES WHICH DEAL WITH RAW MATERIALS. ADOPTING THIS THIRD COURSE WILL PERHAPS MAKE IT EASIER TO START A REAL DISCUSSION ON ENERGY WHICH, BECAUSE IT IS SUI GENERIS, REQUIRES TO BE DISCUSSED ON ITS OWN.

6. IT IS OBVIOUS THAT THE AGENCY IS NOT AN APPROPRIATE FORUM IN WHICH TO DEAL WITH THE SUBSTANCE OF THE RAW MATERIALS ISSUE HOWEVER, IT IS A MATTER OF POLITICAL CONCERN TO THE COUNTRIES PARTICIPATING IN THE AGENCY THAT THIS SUBJECT SHOULD BE DEALT WITH IN AN EFFECTIVE MANNER WITHIN THE APPROPRIATE FORA, AND THAT THEIR PRIOR CONSULTATION ARRANGEMENTS SHOULD BE EFFECTIVE.

IT IS ACCORDINGLY FOR GOVERNMENTS TO ENSURE THAT  
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THEIR DELEGATIONS TO OTHER BODIES SHOULD BEAR IN MIND THIS POLITICAL CONCERN IN REGARD TO RAW MATERIALS. THE MEETING OF THE EXECUTIVE COMMITTEE IN SPECIAL SESSION ON THE 6TH AND 7TH MAY WILL PROVIDE AN EARLY OPPORTUNITY FOR THIS. IT WILL ALSO BE NECESSARY TO SEE THAT ANY PASSAGES DEALING WITH RAW MATERIALS IN THE COMMUNIQUES OF THE GOVERNING BOARD AT MINISTERIAL LEVEL AND THE OECD COUNCIL MEETING AT MINISTERIAL LEVEL SHOULD BE IN AGREEMENT, BE COMPLEMENTARY AND BE SEEN AS PART OF THE SAME CONCEPT.

7. THE CONCLUSIONS TO BE DRAWN FROM THE PREPARATORY MEETING AS REGARDS THE AGENCY'S "INTERNAL" ACTIVITIES ARE AS FOLLOWS:

- A) COHESION BETWEEN THE PARTICIPATING COUNTRIES HAS BEEN MAINTAINED.
- B) WORK MUST GO ON, PARTICULARLY THAT REGARDING LONG-TERM COOPERATION IN ACCORDANCE WITH CHAPTER SEVEN OF THE AGREEMENT, AND WITH THE OBJECTIVE OF ENSURING STABLE AND EQUITABLE CONDITIONS ON THE INTERNATIONAL OIL MARKET.

8. AS FAR AS THE DIALOGUE IS CONCERNED, THEREFORE, IT WOULD SEEM THAT THE AGENCY SHOULD:

- A) CONFIRM ITS POLITICAL WILL TO ENTER INTO THE DIALOGUE;
- B) CONTINUE WITH ITS PREPARATION, EVEN THOUGH THE DATE MAY BE UNCERTAIN, AND TO MAKE USE OF THE RESULTS OF THIS PREPARATORY WORK IN BILATERAL CONTACTS WITH THE PRODUCERS AND WITH OTHER CONSUMERS;
- C) HAVE CONTACTS AT TECHNICAL LEVEL WITH THE PRODUCERS AND IN PARTICULAR WITH OPEC, IN WHICH REGARD THE LATTER'S HOST COUNTRY COULD PLAY A USEFUL ROLE;
- D) IMPROVE ITS SYSTEM OF PUBLIC RELATIONS.

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END TEXT.  
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## Message Attributes

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